

Message Text

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PAGE 01 JIDDA 07927 261722Z

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ACTION NEA-10

INFO OCT-01 ISO-00 NEAE-00 L-03 EB-07 COME-00 SSO-00

CIAE-00 INR-07 NSAE-00 INRE-00 /028 W

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FM AMEMBASSY JIDDA

TO SECSTATE WASHDC IMMEDIATE 2978

C O N F I D E N T I A L JIDDA 7927

E.O. 11652: GDS

TAGS: ETRD, PFOR

SUBJECT: ARAB BOYCOTT

REF: STATE 278485

1. TRADE OPPORTUNITIES REPORTED COVER PERIOD JUNE 15 THROUGH
NOVEMBER 20. NUMBER: 29 VALUE \$272,205,000.
MAJOR PROJECTS REPORTED SAME PERIOD.
NUMBER: 3 VALUE \$1,156,000,000.

2. A. TOTAL TO'S AND MP'S: 32 VALUE \$1,428,205,000.

B. NONE, REPEAT, NONE CONTAINED OR WERE GOVERNED BY BOYCOTT CLAUSES.

C. NONE.

3. SAUDI TENDERS DO NOT INCLUDE BOYCOTT CLAUSES. LEGALLY,
NORMAL SUPPLY TENDERS ARE SUBMITTED ONLY BY SAUDI AGENTS IN SPECIALIZED

FORMAT HARDLY POSSIBLE FOR OVERSEAS FIRM TO FULFILL - ARABIC LANGUAGE,

ENVELOPES WITHIN ENVELOPES, SEALING WAX, CLOSING DATES, ETC. WE ARE
NOT APPROACHED BY SAUDI AGENTS UNLESS LOOKING FOR PRINCIPAL SUPPLIER.
PRIVATE TO'S IN MANY CASES INVOLVE SALES TO SAG. SAUDI AGENTS AWARE
OF BOYCOTT PROVISIONS AND WELL-PUBLICIZED BLACKLIST. IT IS THEY
WHO WOULD TAKE SUCH MATTERS UP WITH FOREIGN SUPPLIERS.

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4. FOR INTERNATIONAL TENDERS COVERING HUGE PROJECTS SAG IN-

VARIABLY INVITES LARGE FIRMS ON SELECTIVE BASIS BUT OTHERS APPLY WHEN OPPORTUNITY IS PUBLICIZED. AGAIN, THESE TENDERS DO NOT CONTAIN ISRAELI BOYCOTT CLAUSES. ACCORDING TO LOCAL PRIVATE BUSINESS OFFICIALS

AN OFFER ON ANY PROJECT BY BOYCOTTED FIRMS IS STUDIED FOR SAG NATIONAL

INTEREST, IF NOT REJECTED OUTRIGHT. FOR PRIMARY BOYCOTT NEGATIVE ACTION IS CERTAIN. FOR SECONDARY BOYCOTTED FIRMS NATIONAL INTEREST IS

CONSIDERED BUT SAUDIS REPUTED TO ADHERE TO SPIRIT OF BOYCOTT MORE THAN OTHER ARAB COUNTRIES.

4. BOYCOTT RESTRICTIONS ARE GENERALLY DISCUSSED WITH SUCCESSFUL TENDERERS, ACCORDING TO BUSINESS CIRCLES HERE, ONLY DURING LAST PHASES

OF CONTRACT SIGNING.

5. WHILE BOYCOTT CLAUSES NOTED IN REFTEL UNDER 4C HAVE NOT BEEN NOTED

ON TENDERS THERE ARE CONTROLS IN OTHER SECTORS, PRIMARILY IN SHIPPING FORMALITIES. THESE CONTROLS CONSIST IN CLAUSES CONTAINED IN COMMERCIAL INVOICES, CERTIFICATES OF ORIGIN, INSURANCE CERTIFICATES,

AND STEAMSHIP/AIRLINE COMPANY CERTIFICATES. REQUIRED AFFIDAVIT ON COMMERCIAL INVOICE IS QUOTE I (NAME, TITLE AND CO) HEREBY SWEAR THAT PRICES QUOTED ARE CURRENT EXPORT PRICES AND THAT THE ORIGIN OF THE GOODS IS THE UNITED STATES OF AMERICA AND I ASSUME FULL RESPONSIBILITY FOR ANY INACCURACIES OR ERRORS THEREIN. END QUOTE CERTIFICATES OF ORIGIN MUST ALSO STATE NAME OF VESSEL AND SHIPPERS MUST SHOW NAME OF MANUFACTURER OF GOODS. INSURANCE CERTIFICATE MUST SHOW BY CERTIFIED STATEMENT THAT IT IS NOT BLACKLISTED. STEAMSHIP CERTIFICATE MUST STATE VESSEL IS NOT ISRAELI NOR SCHEDULED CALL AT ISRAELI PORT DURING VOYAGE. SAME HOLDS TRUE FOR AIRLINES.

6. WE ARE PROCEEDING ON BOYCOTT LAWS AND REGULATIONS AS REQUESTED EARLIER.
AKINS

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Message Attributes

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Margaret P. Grafeld
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06 JUL 2006

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